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CABINET AFFAIRS STAFFING MEMORANDUM

DATE: 5/2/83 NUMBER: 073298CA DUE BY: _____

SUBJECT: President's Priorities for Williamsburg Summit

	ACTION	FYI		ACTION	FYI
ALL CABINET MEMBERS	<input type="checkbox"/>	<input type="checkbox"/>		Baker	<input type="checkbox"/>
Vice President	<input type="checkbox"/>	<input checked="" type="checkbox"/>		Deaver	<input type="checkbox"/>
State	<input type="checkbox"/>	<input checked="" type="checkbox"/>		Clark	<input type="checkbox"/>
Treasury	<input type="checkbox"/>	<input checked="" type="checkbox"/>		Darman (For WH Staffing)	<input type="checkbox"/>
Defense	<input type="checkbox"/>	<input checked="" type="checkbox"/>		Harper	<input type="checkbox"/>
Attorney General	<input type="checkbox"/>	<input type="checkbox"/>		Jenkins	<input type="checkbox"/>
Interior	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
Agriculture	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
Commerce	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
Labor	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
HHS	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
HUD	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
Transportation	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
Energy	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
Education	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
Counsellor	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
OMB	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
CIA	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
UN	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
USTR	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
CEA	<input type="checkbox"/>	<input type="checkbox"/>		CCCT/Gunn	<input type="checkbox"/>
CEQ	<input type="checkbox"/>	<input type="checkbox"/>		CCEA/Porter	<input type="checkbox"/>
OSTP	<input type="checkbox"/>	<input type="checkbox"/>		CCFA/Boggs	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		CCHR/Carleson	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		CCLP/Uhlmann	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		CCMA/Bledsoe	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		CCNRE/Boggs	<input type="checkbox"/>

REMARKS:

The attached statement has been forwarded to the President for review.

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ATTACHMENTS.

RETURN TO:

Craig L. Fuller
Assistant to the President
for Cabinet Affairs
456-2823

Becky Norton Dunlop
Director, Office of
Cabinet Affairs
456-2800

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President's Priorities for Williamsburg Summit

The President is looking forward to the Williamsburg Summit with four priorities in mind:

1. Mark the real progress that has been achieved in beginning the economic recovery:
 - Economic recovery is underway in the United States.
 - Some other Summit countries - UK, Germany, and Japan - are experiencing improved economic circumstances.
 - The Summit countries' economic policies are more on a converging path than they have been in some time.
 - Confidence is growing that the recovery will spread to other industrial countries and the developing countries.
2. Make clear that only a sustained recovery can help the Summit and other countries, especially in Europe where unemployment has increased for eleven straight years, and in the developing countries where heavy debt obligations will persist for the rest of this decade.
 - Artificially stimulating the recovery may only increase expectations of inflation, which already remain high because of lingering concerns about government spending and excessive money creation.
 - Acting with steadiness and consistency across a range of policy areas that exploit linkages between the domestic and international economies and reinforce the impetus to growth means:
 - Bringing inflation down in all countries so as to achieve greater stability in exchange rates.
 - Reversing recent protectionist measures so growth can spread to other nations, both industrial and developing.
 - Supporting the international financial system so as to maintain vital trade, to enhance recovery in the developed world through exports and to provide markets for the heavily indebted countries.

-- A sustained recovery requires a longer-term perspective to guide current domestic policy actions and to improve the international trading and financial system:

- Encouraging convergence of domestic economic performance around low inflation and higher output in a medium-term perspective (2-3 years) thereby ensuring greater international monetary stability.
- Continuing ad hoc discussions of the relationships between trade and financial issues to encourage over time further liberalization of trade in the GATT, particularly with developing countries, and to seek improvements in the international financial system.
- Continued emphasis on fundamental adjustments in both industrial and developing countries to adapt new technology, retrain workers, and reduce inefficiency.

3. Stress that if the recovery is to be a sustained one, bringing real economic growth and increased employment, we must avoid the lure of quick fixes and single solutions to complex problems. In particular, we must avoid a new round of world-wide inflation and rising interest rates.

4. Secure broad recognition that the concern of the Summit countries with economic progress is not primarily a matter of material gain, but a reflection of the basic shared values of these countries of individual freedom and economic opportunity and an essential element of their security.

- Economic progress and cooperation reinforce security commitments to maintain peace and defend freedom.
- The common approach taken by the allies to East-West economic relations in the IEA, OECD, and NATO are good evidence that this recognition is growing.
- In the interest of the free world's security we will work with our allies to restrict the flow of high technology product and knowledge which has a clear and important military application to the East.

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